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聖保祿中學
St Paul's Secondary School

「The Golden Age of Hong Kong's Manufacturing
Industries - A Review Of The Textile And Garment Industry
During The Period Of 1970-80」

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**The 4th Inter-school Competition of Project Learning
on Hong Kong's History and Culture
(Hong Kong Industries in the Past)**

Participant: St. Paul's Secondary School

**Topic: The Golden Age of Hong Kong's Manufacturing Industries -
A Review of the Textile and Garment Industry during the
period 1970-80**

Summary of Report

St. Paul's Secondary School

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Topic

The Golden Age of Hong Kong's Manufacturing Industries - A Review of the Textile and Garment Industry during the period 1970-80

Summary

In 1970-80s, Hong Kong's development of industries is undoubtedly extremely rapid. This period 1970-80s was the golden age of the garment and textile industries in Hong Kong. These two industries had contributed a lot to the whole industrial development and prosperity of Hong Kong, and was definitely a crucial part of it.

In this project, we investigated about the reasons for garment and textile industries to be so successful in their golden age. Their success was due to different local and foreign reasons. Mainland policies and its political state had also affected their development. The economic policies of the Chinese communist government let merchants and experienced and talented people from mainland moved to Hong Kong which led to the ultimate success of the two industries in Hong Kong. As a British colony, Hong Kong had policies and regulations such as free port policies that supported and helped in boosting the development of industries.

Moreover, garment and textile industries are industries which do not really require too many complex machinery, steps, systems and resources that are not easy and are costly to ship and execute, it has flexible geographical factors. Together with some positive characteristics of Hong Kong, such as having an abundant labour supply, labour who were exceptionally hardworking and flexible, low wages, and some other favourable factors, Hong Kong's garment and textile industries developed rapidly and guided Hong Kong into being a lucrative and successful industrial city.

We also looked into the importance of Hong Kong's textile and garment industries to Hong Kong's economy and society. The development of garment and textile industries brought Hong Kong citizens job opportunities as it was a labour-intensive production. In the period of 1970-80s, Hong Kong's garment and textile industries contributed a lot to the GDP and exports of Hong Kong. Though after the golden age, many factories moved out of Hong Kong into mainland China and other less developed countries in Asia, Hong Kong, with the improved education level and technology level, began to develop tertiary industry, which brought Hong Kong to another peak of its flourishing economy and also improved Hong Kong in some other different aspects.

At the same time, the textile and garment industry of Hong Kong also brought great influence to the whole world. After the Second World War, countries were seriously

affected by the war disastrously and suffered great loss after it. There was a great demand in clothing in those affected countries. Hong Kong became a great producer of garment products and earned large amount of income from countries all over the world.

Manufacturing industries in Hong Kong was a great success in the 20th century, which was a influencing period of time. It was a symbolic and a critical period in the history of Hong Kong. Without it, Hong Kong would not have been such a prosperous and successful city now. Hong Kong's manufacturing industries that time had its own characteristics. Most of the factories that time were light industries which had a low demand for land supply as Hong Kong has limited flat land and land supply. A large amount of multi-storey buildings were built to achieve the supply to the large land demand. In these buildings, factories mostly produced products which were small or medium in size and light in weight such as clothings, toys, etc. Also, in order to achieve a lower production cost, industries import raw materials from overseas that some countries have a cheaper provision, such as Mainland China, Taiwan, Japan, Korea, etc. These characteristics become a symbol of Hong Kong at that golden period of the industries, reminding people how Hong Kong developed its own industries.

Garment and textile industries in Hong Kong once had a rapid development but then later, a sudden decline. In 1960-70s, many manufacturing factories including garment and textile factories were set up in Hong Kong. Various types of garment industries are developed in the 1960s-1980s. The industries improved and changed up their products according to the change in demand and wants of customers. The improvements in quality, diversity, system, etc, all of these enhancements led Hong Kong's garment and textile industries to its golden age, into a renowned international industry. In 1980s, although some industries continued its business and development in Hong Kong after the golden age, yet most of the factories moved away from Hong Kong to mainland in the 1980s. The reason behind this was mainly due to the initiation of the Policy of Reform and Opening-Up of Mainland China. Factories moved from Hong Kong to Mainland China. Hong Kong changed from a place responsible for production to a place responsible for research and development, design and management, which led Hong Kong to further economic development.

There are different reasons leading to the golden age of garment and textile industry. At the same time, the success of industries brought a huge influence to the whole society and economy of Hong Kong, and even to the whole world. Understanding the whole development, if an industry has a rise, then there must be a point of decline. However, a decline is not an end, it's just a time that a change is needed. This is how we have and what we call "*HISTORY*".

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Topic:

The Golden Age of Hong Kong's Manufacturing Industries - A Review of the Textile and Garment Industry during the period 1970-80

1. Introduction

Hong Kong, being one of the 'Four Little Dragons' in Asia, was once a major industrial producing and export centre in the Asia-Pacific region during the period of 1960-80s. Hong Kong once had a vast variety of manufacturing goods production. Hong Kong's production depended a lot on the demand and the supply of the global market around the world. Among all the industrial goods exported, clothing was of the highest demand in the global market and the garment and textile industries occupied a huge part of Hong Kong's exports, which provided much revenue for the former colonial government and local manufacturers. It fostered economic development in Hong Kong while also bringing prosperity to Hong Kong during that period of time.

Years after this "golden age" of the textile and garment industries, nowadays, people however usually first relate to plastic, toys industries, not textile and garment industries, when they think of Hong Kong's industrial development in the past. Garment and textile industries might seem to be less popular among the topics of Hong Kong people. However, the fact is that they contributed most to the industrial development of Hong Kong, leaving many collective memories to people. In this report, we are going to introduce the garment and textile industries in Hong Kong during 1970-80s (its golden age), and examine how the textile and garment industries affected the local society, the economy, and even the whole world.

We will analyse the causes for the success of Hong Kong's textile and garment industries during the 1970s and the 1980s, from the perspectives of local factors, foreign factors, and the relative strengths of the garment industry relative to other industries. This project will also investigate the garment and textile industries in the following aspects:

- (1.1) Importance of textile and garment industries to HK economy and society, we will discuss how the two industries contributed to our society's economic development, how it changed the society in the past and related to the society today.
- (1.2) Importance of Hong Kong's textile and garment industries to the world, Hong Kong's textile and garment industries was not only restricted in local business, it also had a huge global market, so what did it bring to the world?
- (1.3) The characteristics of manufacturing industries in Hong Kong, it is well-known that Hong Kong is an unique place where there are many different cultures, as it was a British colony up until 1997. The colonial factor played an important role in shaping the Hong Kong garment industry.

During the period 1970-80, the garment and textile industries in Hong Kong had experienced a rapid development and then a decline. We will study the rise and decline of the Hong Kong garment industry during 1970-80.

2. Investigation Methods

(2.1) Personal Interview

2.1.1 We investigated the textile and garment industry through oral history by interviewing an experienced garment industrialist, Mr Lo, who is the founder as well as the Chairman of Crystal Group, a nowadays worldwide renowned multi-national fashion apparel manufacturer. As a garment industrialist, Mr. Lo witnessed the change of the garment industry in Hong Kong, how it developed from a tiny seed into a tall and strong tree, and how this big tree is yet forgotten after years by years. As a person who experienced all of these, Mr. Lo gave us many inspirations and knowledge of the past and the present.

Besides the history of garment industry in Hong Kong, Mr. Lo shared with us a lot of about the garment industry while also inspiring us to think more deeply about Hong Kong history, the people who contributed a lot to the society in the past. Through the interview, we learnt much more about the garment and textile industries' development during 1970s-80s.

2.1.2 Furthermore, we also interviewed an experienced toy industrialist, Mr Chu and his wife Mrs. Chu. Mr. Chu is the founder of Tai Nam Industrial Co. Ltd., 大南玩具實業有限公司, who has won the Outstanding Achievement Award - Hong Kong Toy Industry in 2014. Despite the fact that their profession is more related to toys, we still learnt about the broader historical context of Hong Kong's industrial development, and the reasons for Hong Kong industries to thrive and become an icon in Hong Kong history. As a toy industrialist, Mr. Chu provided us with a lot of insights into the success of Hong Kong industry and how Hong Kong people are different from others, their attitude towards people they are serving, towards what they are producing, and how people could work all together. A factory cannot work only with one person, instead, we need division of labour to raise productivity. Then workers in the same factory will have to work together.

(2.2) Study of Various Second Hand Materials

Difference sources of reference materials were used to research about the topic, including reference books, newspapers, articles, web passages, reports, statistics and audio-visual materials.

We have integrated the materials and identified the issues from different perspectives about the reasons for the success of garment industry in Hong Kong in the 1970s and 1980s.

3. Content

3.1 The reasons for the rapid growth of textile and garment industry in Hong Kong

3.1.1 Experienced garment and textile manufacturers from Shanghai to Hong Kong

The influx of many experienced garment and textile manufacturers and skilled workers into Hong Kong during the late 1940s and 1950s laid the foundation for Hong Kong to develop into a key industrial centre. There was an abundant supply of experienced textile manufacturers and skilled workers in Shanghai as it was once one of China's most important industrial and financial centres and trading ports before the Second World War. During the war, the factories there all closed down. After the Second World War, those experienced textile entrepreneurs in Shanghai and the Yangzi delta, wanting to restart their businesses, began to order spinning, dyeing, weaving and knitting machines from the US and UK and some other European countries. However, due to insufficient supply, most of them were only able to deliver the machinery in around 1947. At the same time, civil war was all over China and everywhere were a mess. So a lot of the experienced textile entrepreneurs in Shanghai moved their whole business and shipped their machinery delivered from Shanghai to Hong Kong, which was much more stable than the situation in China at that time. Together with the machinery that were stored in the warehouses in Hong Kong before, they were able to develop their industries in Hong Kong.

Hong Kong was chosen to be the place to develop their business because it was near China, that it was a cross-road in the Asia-Pacific region convenient to contact the original clients, transporting original materials, etc. Also, Hong Kong at that time also had different qualities to develop industrial activities, such as a free port, abundant labour supply, etc, which will be discussed afterwards in this section. Once the textile entrepreneurs settled down in Hong Kong, they opened up factories, hired workers and started their manufacturing businesses in Hong Kong. These experienced entrepreneurs from Shanghai were one of the foundation of the growth of textile and garment industry in Hong Kong.

3.1.2 Abundant labour supply

After the surrender of Japan in 1945¹, many original Hong Kong residents who fled away to escape the occupation of Japan returned to Hong Kong, thus leading to the rapid expansion of the population of Hong Kong while also providing a tremendous workforce for Hong Kong's manufacturing production.

In 1946, the Chinese Civil War² broke out and many immigrants and refugees fled from the mainland China to Hong Kong, providing Hong Kong with a large number of labour force, which favoured the development of industry especially labour-intensive industries such as textile and garment industry and boosted the economic development of Hong Kong.

Also, after the Second World War, as there is a more peaceful and stable political environment in Hong Kong, people in Hong Kong tended to have more babies, as a result, contributing to the post-war baby boom in Hong Kong, enlarging Hong Kong's population

¹ During the Second World War, Japan surrendered after being attacked by atomic bombs dropped by the United States in 1945

² Chinese Civil War (1946-1949): During the Cold War, it broke out between the nationalist and the communist

even more. After the babies grew up, they became an important source of workforce for Hong Kong's industries such as textile and garment industries.

Due to the reasons aforementioned, the population in Hong Kong increased rapidly in the years after the Second World War, from the population of 600,000 in 1946 to the population of 2,130,000 in 1952.³ The population grew rapidly, the average growth rate at that time was about 4.5% per year⁴. Having a large population means having a large amount of labour. In 1960, there were about 216,000 labourers in Hong Kong employed to work in factories.⁵ As the textile and garment industry are both labour-intensive industries, the abundant supply of labour undoubtedly contributed to the rapid growth of the industries.

3.1.3 Embargo imposed by the United Nations on China

The outbreak of the Korean War and the intervention of the People's Republic of China in the period 1950-53 led to the United Nations' embargo on China. This greatly interrupted the re-export trade in Hong Kong, thus stimulating the industrialists to develop manufacturing industries to revive the economy. Also, later, international relations relaxed and the tensions between the capitalist and communist blocs relieved, demand for industrial goods from western countries increased and Hong Kong became an important trading port again. This paved the way for the industrial development in Hong Kong.

3.1.4 Relationship between employers and employees were enhanced by laws protecting labour welfare

In the late 1960s, legal entitlements to an eight-hour working day and women's weekly hours were capped to forty-eight hours.⁶ However, this proposal was turned to a paper tiger during 1967-1971. Although workers could report overtime issues to factory inspectors, the workers were usually sacked by the employers if they did that. Due to a continual decrease of labour supply in Hong Kong by the 1970s, the number of overtime working cases raised by 45%.⁷ Many employers were evading the law, leading to a vicious cycle of labour shortage. Fortunately, this problem was improved by a new legislation by the Foreign and Commonwealth Office.⁸ Since then, the relationship between labour and employees were greatly improved and the 'social consciousness' of Hong Kong people was in a higher level. Paving a path for the flourishing development of Hong Kong industry and leading to a fast growing economy in Hong Kong.

3.1.5 Hong Kong as a free port

³ Statistics from *Hong Kong History: New Perspectives Volume 1* p. 377 written by 王廣武, published by Joint Publishing (H.K.) Co., LTD in year 1997

⁴ Please refer to footnote 3

⁵ Statistics from *Hong Kong History: New Perspectives Volume 1* p. 379, 395. For the author, publisher and publishing year please refer to footnote 3.

⁶ Information from *May Days in Hong Kong: Riot and Emergency in 1967* p. 135 written by Robert Bickers and Ray Yep, published by HKU Press in year 2009

⁷ Information from *May Days in Hong Kong: Riot and Emergency in 1967* p. 142-144. For the author, publisher and publishing year please refer to footnote 6

⁸ Please refer to footnote 7

Hong Kong, as a British colony and a free port under British rule, Hong Kong had a less strict custom regulation and enjoyed the low tariffs of the British Commonwealth⁹ and preferential treatment from the United States. This lowered the cost of production for companies and increased the competitiveness of their products overseas. Hong Kong did not impose tariffs on the importation and exportation of goods, thus allowing companies to trade freely, and as a result of this, a wide range of companies can trade in Hong Kong and set up factories. This make Hong Kong an attractive option for foreign trading.¹⁰

3.1.6 Great demand for industrial goods after the Second World War

After the Second World War, daily necessities were very insufficient in Western countries as most of the infrastructures were destroyed during the war. On the other hand, the living standard of the Western people was rising, they had a higher purchasing power. They had a high demand for different types of goods, for example clothing, shoes, kitchenware, etc. Hong Kong's industrialists were able to find a large global market for the products they manufactured.¹¹

3.1.7 China as a communist country

As China turned into a communist country, its policies which had restricted companies to earn limited profit, they could then own their own company temporarily due to government policy of "New Democracy"¹². Merchants in China wished to earn more profit and to really own their own companies, and they did not trust the Chinese Communist Party, thus they moved to Hong Kong, a much more democratic, free, reliable and favourable place, to establish their own companies. People from China were with advanced knowledge, entrepreneurial skills, business experiences, and large amount of capital, while Hong Kong could supply them with lower labour wages and production cost, and most important of all, a stable political environment free from communist threat.¹³ (these people including Tang Hsiang Chien (唐翔千), father of Henry Tang.¹⁴ The companies opened by these mainland immigrants are with better quality, and improved the whole competitiveness of Hong Kong industry.

3.1.8 Flexible and hard-working of Hong Kong people

As mentioned by Mr. Lo, Hong Kong industrialists were famous for being adventurous, hard-working, persistent, flexible, willing to struggle, determined, indomitable and independent.¹⁵ They are flexible to develop new designs, upgrade quality of products and explore in new markets with the change of market demand. Also, they have a high standard for their own work, they do not do things that they can't do well, if they decide to do, they

⁹ British Commonwealth (known as Commonwealth of the Nation nowadays) is an intergovernmental organization formed by mostly territories of the former British Empire.

¹⁰ Information from the interview with Mr. Lo

¹¹ Please refer to footnote 10

¹² Mao Zedong proposed the concept of planned economy to people that most resources are allocated by government plans and commands. People have to follow government commands in production and consumption.

¹³ Please refer to footnote 7

¹⁴ Information from 《唐翔千傳》, witten by 蔣小馨, 唐擘, published by Joint Publishing (H.K.) Co., LTD, which is a book about how an garment industrialist, Leo Tang Hsiang-chien (唐翔千), develop his industry.

¹⁵ Please refer to footnote 10

will do their best. This great attitude towards industrial work is kind of a work that provides service to people. They wish to give customers the products produced by the best materials, and emphasize on the details while producing.¹⁶ Keeping this attitude with their determined heart, they led Hong Kong's industry into a golden age.

3.1.9 Flexible geographical factors for garment industry

Garment industry was a labour-intensive industry, which did not really require many expensive, complex, large in size machines, it only required some simple raw materials and machinery such as fabrics, sewing machines, etc. Therefore, these garment factories could be set up anywhere, therefore these company owners could choose any place. As mentioned by Mr. Chu, to have a lowest possible cost, company owners chose a place with many labour supply, where people were willing to work hard and the country will be willing to develop secondary industry.¹⁷ Then Hong Kong became a suitable place to develop.

3.1.10 Favourable government policies

As mentioned by Mr. Lo, the government passed some favourable policies (known as "positive non-intervention" policy 積極不干預政策 or *lassie faire*¹⁸) to provide a free economic environment as well as support to help the textile and garment industries at that time to set up their own factories and guide them to their success. The government had financial support to merchants to set up factories, it would be the guarantor of some of the companies for borrowing money from the bank to help them to set up their factories. Also, the government provided training for the garment and textile industries and it set up the Hong Kong Trade Development Council (HKTDC)¹⁹ in 1966 to help foster the trades of industries.²⁰ Moreover, the government at that time gave much freedom to the industry and did not have much intervention over their businesses and production. This favours the garment and textile industries and made it easier on the production and trade.²¹

3.1.11. Harbour suitable for shipping, Victoria Harbour

The Victoria Harbour was undoubtedly one of the world's most famous harbour, even the name 'Hong Kong' was named after it. The Victoria Harbour is a wide and deep harbour, which can park more than 50 huge trading ships for foreign trade at the same time²²; the eastern part of the harbour (Lei Yue Mun) and the western part of the harbour (Kup Shui Mun) were narrow, the mountain in Kowloon peninsula and Hong Kong Island make Victoria Harbour being surrounded by mountains, which forms a "Typhoon Shelter", this can avoid ships being affected or destroyed by extreme weather conditions such as typhoon, wind storm, etc., the warm weather in Hong Kong do not cause freezing of seawater in the

¹⁶ Information from the interview with Mr. and Mrs. Chu

¹⁷ Please refer to footnote 16

¹⁸ Laissez faire: an economic system that private parties are free from government interference such as regulations, privileges, tariffs and subsidies

¹⁹ The HKTDC is a statutory body established as the international marketing arm for Hong Kong-based manufacturers, traders and service providers. The HKTDC promotes Hong Kong as a platform for doing business with other countries.

²⁰ Please refer to footnote 10

²¹ Please refer to footnote 10

²² Information from 坐言集之維港

harbour over the whole year.²³ This makes Victoria Harbour a harbour which is extremely suitable for ships to import raw materials and export finished products as a point of productions in global businesses. This favours the development of textile and garment industries in Hong Kong as it is easy to import and export and can hence also reduce transportation costs. The powerful shipping tycoons such as C. Y. Tung (董浩雲), and Y. K. Pao (包玉剛) also helped foster the development of Hong Kong shipping industry, which allowed Hong Kong to ship goods overseas, and led Hong Kong to develop into a well-known international industrial city in 1970-80s.

3.2 Importance of textile and garment industries to HK's economy and society

3.2.1 Provide many job opportunities to Hong Kong citizens

The textile and garment industries in Hong Kong brought a great amount of job opportunities for Hong Kong citizens. Among all manufacturing industries, textile industry occupied 26.2% and garment industry accounted for 18.4% of the total labour employed by manufacturing industries in 1966,²⁴ the two industries were on the top of the list. In 1979, textile industry occupied 11.6% and garment industry accounted for 31.8% of the total labour hired²⁵ by manufacturing industries, while the employment of manufacturing industries occupied 87.4% among all sectors²⁶. In 1986-1989, textile and garment industries still accounted for a large share of employment among all economic sectors. Garment industry occupied around 12.73% while textile industry occupied 5.62% of the total share of employment among all economic sectors.²⁷ The employment rate of these two industries were highest among others. The rapid growth of textile and garment industries provided huge job opportunities and it lead to a rise in income of Hong Kong citizens and bringing prosperity to Hong Kong. Living standard of Hong Kong citizens was hence improved.

3.2.2 Contribute much to Hong Kong's GDP and export

The textile and garment industries in Hong Kong played an important role to Hong Kong's economy. As the products are the basic necessities of people around the world, the two industries export large amounts of products. They are two of the largest exporting industries in Hong Kong at that time. As they produce in large amounts and they export most of their products, they earned a lot of foreign revenue, and contributed a lot to Hong Kong's GDP (35%) and help boost Hong Kong's economy.²⁸ They also turned Hong Kong into a world famous industrial centre which also helped Hong Kong's economy even more.

Although the garment industry declined after the initiation of the Policy of Reform and Opening Up in late 20th century, when the Chinese government reduced tariffs and other

²³ Please refer to footnote 22

²⁴ Statistics from *Hong Kong History: New Perspectives Volume 1* p. 400, 402, for the author, publisher and publishing year please refer to footnote 3

²⁵ Please refer to footnote 24

²⁶ Please refer to footnote 24

²⁷ Statistics from *From Colony to SAR: Hong Kong's Challenges Ahead* p. 184, written by Joseph Y.S. Cheng, Sonny S.H. Lo, published by The Chinese University Press in year 1995

²⁸ Please refer to footnote 10

trade barriers, reducing the total tariff rate from 56% to 15%,²⁹ which caused some factories and companies originally in Hong Kong move to China. This affected the profits and trade of Hong Kong's textile and garment industries. But according to the statistics from World Trade Organization, the garment industry was once one of the major earners of Hong Kong, which exported an amount of HK\$74.25 billion, which accounted for 43.5% of the total domestic exports in 1999.³⁰

We can therefore see how successful is the garment industry in Hong Kong in its golden age, leading to a great development of Hong Kong economy.

3.2.3 Leading to the development of tertiary industry

The success of Hong Kong as an industrialised city caused both Hong Kong government and citizens understand more about trading. Their skills and technology were improved comparing with the time when Hong Kong was only a place with primary industry as its major economic activity which contributed the most to the GDP. Industrialisation boosted the economy of Hong Kong and Hong Kong people's global horizons were broadened, education level, trading, manufacturing, providing services, and many other different aspects were improved. After the initiation of the Policy of Reform and Opening Up, which led to the decline of secondary industry in Hong Kong, Hong Kong began to develop tertiary industry as a major sector of the economy. Designing, research and development, management work, etc, were started to be done in Hong Kong. Finance and real estates also expanded rapidly. The development of high technology industry even led to the further development of Hong Kong economy. The whole success of industries in Hong Kong was an important factor and process of improvement of Hong Kong, no matter in economy, people's living standard, technology level, etc.

3.3 Importance of Hong Kong's textile and garment industries to the world

When Hong Kong started its textile and garment industries, the world had not put their focus on manufacturing industries. After the Second World War, people all around the world for example Japan, America and European countries had a great demand for clothing, a large portion of them were produced in the garment factories in Hong Kong. It provided people all around the world with basic necessities like clothing. Hong Kong was a large producer in the world garment market, and it earned income from people all around the world. Among all the export of clothes in Hong Kong, the United States accounted for 42.1% whilst Britain accounted for 13.9%.³¹

As mentioned by Mr. Lo, as days went by, labourers in the factories became more skillful and experienced and more money was earned by the producers. Their business empires became larger and larger so a lot of the industrialists decided that they should expand their production lines to other places to reduce production costs as well as increase productivity and the number of products and they started moving their factories from Hong Kong to

²⁹ Statistics from *International Trade and its Effects on Economic Growth in China* p. 6, written by Peng Sun and Almas Heshmati, and published in 2010

³⁰ Statistics from *World Trade Organization - RESTRICTED Code -(III) Trade Policies and practices By Measures*

³¹ Please refer to footnote 24

other places in South Asia like Malaysia, Singapore, Republic of Mauritius, Sri Lanka, Cambodia, Bangladesh and Thailand where the costs of production were lower.³² This then fostered the development of textile and garment industries of Hong Kong in the world as more people were working for the company, which also provided more job opportunities to people around the world especially those in less developed countries in South Asia.³³ It also brought more skilled labour, advanced technology and more capital to those countries, bringing a higher living standard to the people and better development of those countries. Hong Kong was indeed a great influence to other countries in Asia.

3.4 The characteristics of manufacturing industries in Hong Kong

The manufacturing industries in Hong Kong were mostly labour-intensive light industries of high efficiency, flexibility and competition. Also, the products were manufactured in Hong Kong with raw materials imported from Mainland China, Japan, Taiwan, Korea, etc. Those raw materials like cotton and synthetic materials were cheap. All these helped maintaining good quality of products with reasonable prices and profits. Because of the limited land supply, lack of natural resources and the small domestic market, industries in Hong Kong are mostly and usually in small-scale, which are usually light industries such as textile industry, toy industry, etc. Also, factories are usually located in multi-storey factory buildings, this allow a better use of land, which make the use of land a few times more than the original possible use. In fact, the land can originally be rented by only one company as its factory, now can be rented more than 10 companies. The rent will then be cheaper. This make the production cost of industries in Hong Kong cheaper than other countries.³⁴

3.5 The development and transformation during 1970-80

During the 1950s, Hong Kong's garment industry started. During that period of time, Hong Kong's industrialization is commenced from China's political turbulence, and the transfer of technology and skills from Western countries to Hong Kong and other Asian countries. All of these made Hong Kong one of the most crucial production basis for the garment industry.

During the period of 1960s-1970s, cotton industry, a type of textile industry, developed the most rapidly. The amount of products produced and the employment share of the textile industry was at the peak at 1976.

At the beginning, the garment industry started with producing low quality garments to reduce original equipment manufacturing production, then, during the early 1970s, it progressed to original design manufacturing production which advantages the exportation of Hong Kong. This led to the development of Hong Kong's garment industry's peak period, which is 1970s-1980s. Hong Kong was as a leading role in garment industry all over the world from 1970s, at that time, Japan, West Germany, and the United States were the major customers of garment production of Hong Kong, bringing the garment industry in Hong Kong large flows of income. The garment industry occupied a significant portion of Hong Kong's GDP that time. In this period of time, Hong Kong garment industry had built an

³² Refer to footnote 10

³³ Refer to footnote 10

³⁴ Refer to footnote 10

positive reputation all over the world, Hong Kong garment industry become the most well-known and well-developed industry in Hong Kong.

However, during the 1980s, after the initiation of the Policy of Reform and Opening-Up, Hong Kong's garment production was not able to claim the same status it once had in the economy any more. Industrialists began to move their factories and companies to the Mainland, as it is much easier to find large amount of cheap and semi-skilled labour, they can find workers easily because people in China used to work in primary industries, they wished to earn more pay by working in secondary industries. Also, the land rent in Hong Kong is becoming higher and higher, moving to the mainland can help save cost as there was cheaper land rent and the Chinese government there also provided the manufacturers with tax allowances and priority in electricity supply. In order to save production costs, a lot of industrialists shifted their factories and production lines from Hong Kong into the mainland China, causing a decline of textile and garment industries as well as other industries.

4. Conclusion

The textile and garment industries once played an extremely crucial part in Hong Kong's economy, leading it to its success today, and it is also a fact which can never be denied that it had a huge influence to the whole world. Hong Kong, as a small city under the rule of Britain in the 1970s to 1990s, was a free port, and had great policies which favoured the development of manufacturing industries in Hong Kong. Other factors such as having an abundant supply of labour and hardworking workers, and some others aforementioned, had greatly favoured the development of textile and garment industries. However, due to the reform of China's economy in the 1980s, its importance had greatly declined. Nowadays, factories are rarely to be seen in Hong Kong.

In order to know and understand more about one of the most critical part in the Hong Kong's economic development, which is the textile and garment industry, we have joined this competition and have explored a lot into the history of it. During our research, through interviewing with successful industrialists, reading of books about our industry in Hong Kong and researching from the Internet, we have learnt about many factors flavouring our garment industry and its influence, both locally and globally, which have greatly widened our horizons.

A finished product or even the operation of a company often requires different people or even different countries to work together. Every procedure has its own important function and responsibility. As a company, how should it choose places to complete different processes and procedures? How can we make good use of the characteristics of different places? These are indeed hard to decide, but these are also why we have to study the history of industries, to learn from them.

Hong Kong was once a place suitable for developing textile and garment industry. There must be reasonable reasons behind, how did it attract so many companies, or different countries to trade with and invest in? Having a favourable free port policy, having an abundant supply of labour, and labours who were willing to work hard, with good attitudes towards their work, etc, sure are the reasons we have explored during our research and interviews and we have really understood more about Hong Kong's economic development.

However, things and situations often change, countries develop, people changes. Companies have to follow these trends to propose the best measure to develop their business, they have to think of the best way to use the land and different characteristics of labour in different places, with the lowest possible cost. And so, the manufacturing industries in Hong Kong had moved out as Hong Kong is no longer a developing city with the cheap production cost that factories require to set up their business.

We study the golden age of textile and garment industry in Hong Kong to understand the reasons for Hong Kong to be suitable to develop these industries at that time, and to understand how it changes our society, economy and the world. Not to make Hong Kong back to the old days, producing industrial goods, but to understand this period of time. Hong Kong has now changed to become a place majorly responsible for design, research and development, and works that require higher education level, people's skills and knowledges. Therefore, we should now follow the trend, follow the new characteristics of different countries, and develop businesses with the best use of land, labour and capital, so that we can achieve a higher level, to improve and provide better goods and services to people.

Nowadays, although the influence of textile and garment industries had declined in Hong Kong, it still plays a very important role in some developing countries. Although Hong Kong is no longer responsible for the manufacturing process of it, some successful textile and garment industrialists, like our interviewer, Mr Lo, are still working on the management and research and development part of the industry in Hong Kong, while having their factories in other countries and places. As clothing, is one of our daily necessities and everyone must need it, let us continue to develop the textile and garment industry with those developing countries which are responsible for the production process, continue to work with the kind of attitude that Hong Kong people have, the courage, the hard work, and the determination to do our best. We learn from our history, and to create our own future!

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End of paper